

**MINUTES  
FOR THE REGULAR MEETING  
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD  
Docket No. 5465**

**1. Opening of Meeting:**

The Appeals Board convened at 10:30, January 10, 2006 in Sacramento, with Chair Joan M. Borucki presiding.

<b>2. Roll Call: <u>Members</u></b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Joan M. Borucki, Chair	x	
Ann Richardson, Vice Chair	x	
Virginia Strom-Martin	x	
Jack Cox	x	

**3. Approval of the Minutes:**

The December 15, 2005 minutes were approved by all members after a minor grammatical correction under item number five, Board Member Reports.

**4. Chair's Report:**

Chair Borucki reported that the monthly Labor Agency meeting has been rescheduled to January 25, 2006.

**5. Chief Administrative Law Judge/Executive Director's Report:**

Executive Director/Chief Administrative Law Judge Jay Arcellana reported that Presiding Administrative Law Judge Tim McArdle is in Mississippi to provide training and other assistance at the request of the Department of Labor. Tim is providing training to twenty judges from thirteen states, most of whom are working as retired annuitants. They are present in Mississippi to organize the logistics of the appeals function so that they can conduct phone hearings when they return home after the week of training. One of the big problems they are facing is locating people so that they can conduct the hearings. Tim reported that the devastation down there from the hurricane and flooding is much more than he anticipated.

Executive Director/Chief Administrative Law Judge Jay Arcellana also reported that on December 12 last year a UPS truck carrying seven of our hearing files was stolen. Since those files contain confidential information, an incident report has been filed, and the parties notified. The good news is that the decisions had already been dictated, so the parties received their decisions timely.



Executive Director/Chief Administrative Law Judge Jay Arcellana reported that the Department of General Services has entered into a new cellular phone master contract. What this means for the CUIAB and other state agencies is that existing cell phones will be replaced, and will be serviced by a new provider. The change is to take place in the next month or so. The Blackberries will not be affected by the new contract. In response to an inquiry by Vice-Chair Richardson, Executive Director/Chief Administrative Law Judge Jay Arcellana advised that everyone's cell phone number will remain the same.

Executive Director/Chief Administrative Law Judge Jay Arcellana further reported, in response to privacy issues currently under review, that Language Line interpreters are bound by a code of ethics, and that code includes provisions specifically addressing confidentiality requirements.

Vice Chair Richardson commented that while listening to a digital hearing, she found it very difficult to understand what is being said because of simultaneous translations. Deputy Director Steve Angelides responded that they are aware of the problem and are currently working on a solution.

Executive Director/Chief Administrative Law Judge Jay Arcellana reported that the FISMA audit report has been completed, and will be forwarded to the Department of Finance. He commended Michelle Robinson and Mary Walton-Simons for their efforts on this project.

Lastly, Executive Director/Chief Administrative Law Judge Jay Arcellana reported that Chet Wray, former Board member passed away last week.

Vice Chair Richardson inquired whether or not the CUIAB copies files before sending them via UPS. Executive Director/Chief Administrative Law Judge Jay Arcellana responded that we do not do so, that the volume of cases handled by the CUIAB just doesn't permit such a practice.

## **7. Branch Reports:**

- a. Executive Director/Chief Administrative Law Judge Arcellana reported that the CUIAB hired a new ALJ in Inland, and that new ALJ training is scheduled in Sacramento starting January 23.

Executive Director/Chief Administrative Law Judge Arcellana also reported the CUIAB will be cooperating with the Occupational Health and Safety Board in permitting the use of some of our facilities during the month of February.

Executive Director/Chief Administrative Law Judge Arcellana reported that the Department of Finance has approved the relocation of our San Francisco Office of Appeals. This was accomplished due to the hard work of our Business Service Division.



Executive Director/Chief Administrative Law Judge Arcellana reported on the work load numbers, as follows: In December, total verifications for all programs was 18,700 cases, a 2% decrease from November. On an annual basis, we verified 255,088 cases in 2005, a decrease of 9% from 2004. This number is also the lowest number in five years, so the work load clearly is dropping. Dispositions for the month of December were at 21,191, a 1% increase from November. Annually, we disposed of 259,622 cases, a decrease of 10% from the prior year. This is reflective of a drop in the work load. Also, the staffing level was down during that time period. Looking at the numbers from November to December, dispositions to verifications, we are in balance. In terms of the unemployment insurance program alone, for December we verified 15,953 cases, a decrease of 3% from the prior month. Annually we verified 223,111 cases, a decrease of 8% from 2004. Dispositions were at 18,547 cases in December, a 4% increase from November. Annually we disposed of 222,850, a decrease of 13% from the prior year. If you look at the annual comparison of dispositions to verifications in 2005, the numbers are right in balance with one another. In terms of the average case age, the median is 40 days. The Disability program verified 1,838 cases in December, a 15% increase from November. In terms of annual comparisons, we verified 24,603, which was a decrease of 3%, so annually the DI intake was fairly stable, albeit with a big spike at the end of the year. In terms of DI dispositions, 1,810 cases were disposed in December, a 10% decrease from November. The average case age was 30-40 days for DI cases. In terms of annual comparisons, there were 23,068 DI dispositions in 2005, a 12% decrease over the prior year. As to rulings, 226 cases were verified in December, a 26% decrease from November. Annually, 7374 were verified, a decrease of 31%. This is also reflective of the workload dropping. There were 834 ruling dispositions in December, a 24% decrease from November. Annually, there were 13,704 ruling dispositions in 2005, a 66% increase over last year.

- b. Deputy Chief ALJ, Appellate Operations Steve Angelides reported that in December the appeal rate from the field dropped to a calendar year low of 5%. Only 1058 cases were registered, which is their third monthly 4 year low in registrations in a row. They used their two retired annuitants as much as possible in December to help work off the large batch of older cases they had due to a spike in registrations in August and September, and the recent retirement of three ALJs. As a result, dispositions went up to 1394, which is around the calendar year average. The combination of low registrations and average dispositions reduced the balance of open cases by 331, down to 2414, which is also around their calendar year average. This was also reflected in their case aging statistics. The mean case age dropped to 45 days and the median case age dropped to 40 days, both of which are around the calendar year average.

Deputy Chief ALJ, Appellate Operations Steve Angelides reported that they are trying to put some of their recently retired ALJ's back to work as annuitants as soon as possible to help with the work load. Mike Canar will be



helping with some of the larger and more complex cases. Tamara Pierson was also planning to return as a retired annuitant, but tragedy struck her family last month. Her son was in a serious car accident in Arizona, and he has been in a coma for the past two weeks. Recently they learned that he is starting to come out of the coma, which is very good news. They are all praying for his full recovery and are encouraged by the recent news.

Deputy Chief ALJ, Appellate Operations Steve Angelides further reported the Sacramento Office of Appeals has agreed to a long term loan of ALJ II Bill Purcell to AO. Bill worked in AO for several years before he transferred to Sacramento 8 years ago, and they are delighted to have him back at AO. Bill is a highly experienced and highly qualified ALJ. Before coming to CUIAB Bill was Chief Counsel to the Appeals Board in Connecticut.

Deputy Chief ALJ, Appellate Operations Steve Angelides reported that in December ALJ Jorge Carrillo completed several years in a half-time special assignment performing administrative work, and he has recently returned to full case production as an ALJ II. Deputy Chief ALJ, Appellate Operations Steve Angelides stated he was very grateful for Jorge's help, which made it possible for him to transition to AO while at the same time being in charge of the judicial conference and digital recording. Jorge has agreed to continue to represent AO on the Budget Advisory Committee through the end of the fiscal year, and to finish implementing digital recording in AO. Several months ago ALJ Nancy Kirk also completed several years of a half-time special assignment doing training work, and also returned to case production on a full time basis. Thus, between Jorge and Nancy they have put the equivalent of one full time AO ALJ back in production.

Finally, Deputy Chief ALJ, Appellate Operations Steve Angelides reported that with Jorge and Nancy back in full production, Bill Purcell on extended loan, and the help of Bill Brown, Linda Shepard, Mike Canar and hopefully Tamara Pierson, Appellate Operations will have enough resources to continue to handle their workload after the three retirements in December.

- c. Deputy Director, Administrative Services Branch Pam Boston reported that during the month of December CUIAB hired two student assistants, and there were eight 8 retirements, 6 of which were ALJs. Also, one employee separated from the Agency.

Deputy Director, Administrative Services Branch Pam Boston further reported that Personnel is in the process of sending letters out to employees who are carrying more than the allowable number of hours of vacation or annual leave. The maximum amount of hours to carry over for Units I, II and excluded employees is 640 hours, and for Unit 4, 400 hours. Personnel is asking the recipients of the letters to submit a plan to reduce their hours, and that plan will then be monitored throughout the year.



Deputy Director, Administrative Services Branch Pam Boston reported that Assembly Bill 747 amended Government Code section 19991.13 to allow represented employees to make catastrophic leave donations to excluded employees. This change was effective January 1, 2006.

Deputy Director, Administrative Services Branch Pam Boston also reported that Assembly Bill 766 changed the time period for measuring retired annuitant hours from a calendar year basis to a fiscal year basis. Since this change became effective January 1, 2006, mid way through the fiscal year, for 2006 only retired annuitants will be allowed to work 960 hours January-June 2006, and another 960 hours July through to June, 2007

Lastly, Deputy Director, Administrative Services Branch Pam Boston reported that Assembly Bill 124 went into effect January 1, 2006, relating to equal employment opportunity. A full report on this bill will be given at a future Board meeting.

- d. Deputy Director, Planning and Program Management Branch Mary Walton-Simons reported that the digital recording pilot is completed, and P&PM staff are currently working on the post evaluation quality assessments. As of the week ending December 30, 2005, there were no unusable recordings.

Deputy Director, Planning and Program Management Branch Mary Walton-Simons also reported that she learned from her participation in a Department of Labor conference call that the State of Oregon has also gone digital. They have a significantly smaller work load than California; their annual work load is the equivalent of one month of California's work load.

Deputy Director, Planning and Program Management Branch Mary Walton-Simons reported that the hearing information pamphlet project is progressing nicely. A committee has been formed and it is anticipated this project will have a lot of tentacles, because they want to have the CUIAB's public web site printed on the pamphlet to direct customers to additional information, but it has been discovered that the additional information is not current.

## **6. Chief Counsel's Report:**

Chief Counsel Ralph Hilton reported that the case load for Board Members has remained fairly high because the CUIAB does not have a full Board. (Attachment A)

Chief Counsel Ralph Hilton reported on the litigation front that we received three new cases this month, and six were closed. Of those six, just one was a reversal of the Board because the court allowed new evidence about an alleged labor code violation that was not before the Board when it made its decision. (Attachment B)



**9. Unfinished & New Business:**

Deputy Director, Administrative Services Branch Pam Boston gave a PowerPoint presentation on Business Services goals and accomplishments. (Attachment C)

Deputy Director, Planning and Program Management Branch Mary Walton-Simons gave a PowerPoint presentation on CUIAB's year end report. (Attachment D)

**10. Public Comment:**

There was no public comment.

**11. Closed Session:**

The regularly scheduled Board meeting adjourned, and the Board went into closed session.



Case Assignments to the Board for the Month of: December 2005

Agenda Item 8

Board Member	1st Member	2nd Member	3rd Member	UI	DI	Ruling	Tax	1 Party	2 Party	Total
Ann Richardson										
Sum	247	297	1	476	59	3	7	190	355	545
Percent	24%	29%	0%	47%	6%	0%	1%	19%	35%	
Jack Cox										
Sum	212	331	2	469	61	3	12	191	354	545
Percent	21%	33%	0%	46%	6%	0%	1%	19%	35%	
Joan Borucki										
Sum	288	34	1	321	2	0	0	66	257	323
Percent	28%	3%	0%	32%	0%	0%	0%	7%	25%	
Virginia Strom-Martin										
Sum	214	330	1	472	62	2	9	201	344	545
Percent	21%	33%	0%	47%	6%	0%	1%	20%	34%	
Total Cases Reviewed:	961	992	5	1738	184	8	28	648	1310	



**LITIGATION CASES PENDING**

**TOTAL: 120**

**December 2005**

Non-Benefit Cases: 3

New Cases Filed This Month: 3

Cases Closed This Month: 6

<b>SUPERIOR COURT:</b>	Claimant petitions .....	98	
	Employer petition .....	15	
	EDD petitions .....	0	113
<b>APPELLATE COURT:</b>	Claimant appeals .....	3	
	Employer appeal .....	1	
	EDD appeals .....	0	4

**2005 Activity Summary**

<b>FILED - SUPERIOR COURT:</b>	Claimant petitions .....	36	
	Employer petitions .....	11	
	EDD petitions .....	0	47
<b>FILED - APPELLATE COURT:</b>	Claimant appeals .....	1	
	Employer appeals .....	1	
	EDD appeals .....	0	2
<b>CLOSED - SUPERIOR COURT:</b>	.....		44
<b>CLOSED - APPELLATE COURT:</b>	.....		2

**2005 Decision Summary**

Claimant Appeals

Win: 8 Loss: 28

Employer Appeals

Win: 3 Loss: 7

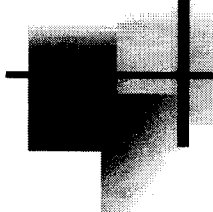
CUIAB Decisions

Affirmed: 37

Reversed: 6

Remanded: 3

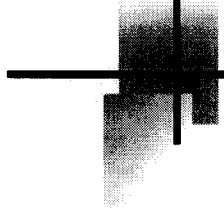




# ADMINISTRATIVE SERVICES ACCOMPLISHMENTS FOR 2005 AND GOALS FOR 2006

January 2006





# Administrative Services

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The Administrative Services Branch plays an integral role in providing the human resource needs, physical locations, equipment, supplies and information technology to the employees of the California Unemployment Insurance Appeals Board.



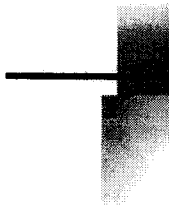


# Administrative Services

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- Information Technology
- Business Services
- Personnel



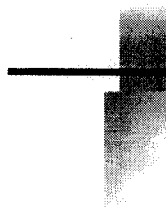


# Information Technology

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- Manager - Nick Dressler/Rafael Placencia
  - Design, procurement, implementation, maintenance and support of CUIAB's Information Technology assets and resources.






# Information Technology

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- Accomplishments 2005
  - Installed Britemail e-mail anti-spamming technology - reduced spam e-mail by 90%
  - Designed & developed in-house helpdesk support tracking system
  - Deployed over 100 new workstations
  - Installed new phone system in Inglewood and Los Angeles
  - Reorganized IT into two sub-units
  - Upgrade network equipment at Field Offices





# Information Technology

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- Goals 2006
  - Digital Recording
  - PolyCom
  - Resource Allocation - Southern CA
  - Cell Phones Contract
  - Implementation of CAPR Program
  - Improve the Intranet (theBench) site
  - Implementation of encryption on portable storage devices
  - Update telephone infrastructure





# Personnel

- Manager - Frances Aguilar
  - Administration, coordination and implementation of human resource programs





# Personnel

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- Accomplishments - 2005
  - Conducted ALJ II exam
  - Converted 50 ALJ I to ALJ II
  - Trained the LSS II on various subjects
  - 26 retirements in 2005 (3 ALJ, 9 ALJ II, 2 PALJ)
- PALJ Training
- Administered several exams
- Labor Relations
  - Unit 2 bargaining



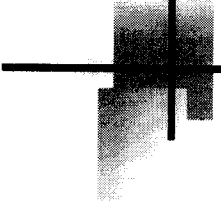


# Personnel

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- Goals 2006
  - Continued training
  - Exams
  - Supervisor Training Manual on how to complete probationary reports
  - Bargaining Unit 2 Contract to be ratified
  - Implementation of SDI



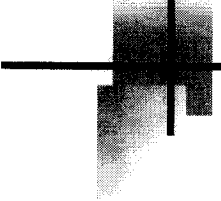


# Business Services

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- Manager - Pat Houston
- Administration of Business Services functions for CUIAB



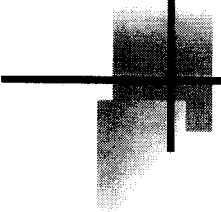


# Business Services

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- Accomplishments - 2005
  - 56 contracts processed
  - 9 New leases/renewals/extensions & 1 closure
  - 1 New lease
  - Initiated 434 purchase orders
  - Successfully lowered the price on copier maintenance agreements saving almost \$31,000 a year
  - Processed 1, 103 Calcard orders for Office Supplies
  - Currently in negotiations for leases for 16 appeals offices and hearing sites
  - Completed 39 tenant improvement & modular furniture projects



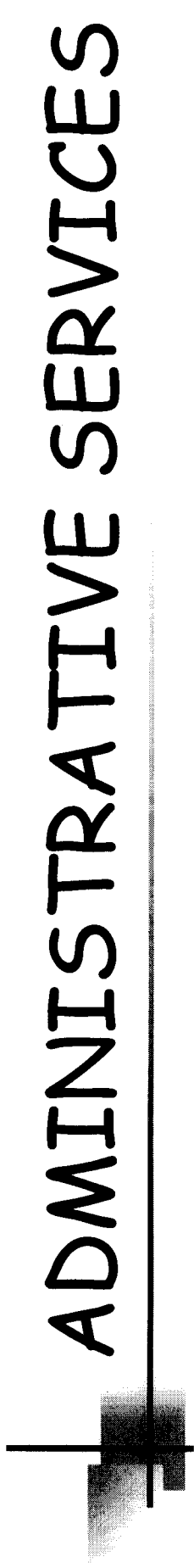


# Business Services

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- Goals for 2006
  - Facilities
    - Lease Renewal (San Francisco)
    - Obtaining approval to relocate Oxnard and Fresno
    - Opening Redding, Chico, Palm Springs, Concord
    - Renovation of P&PM in Orange County
    - Renovation of the Los Angeles Office of Appeals and Pasadena Office of Appeals
  - Finalize the Asset Inventory
  - Installing security access control systems in Pasadena and Los Angeles



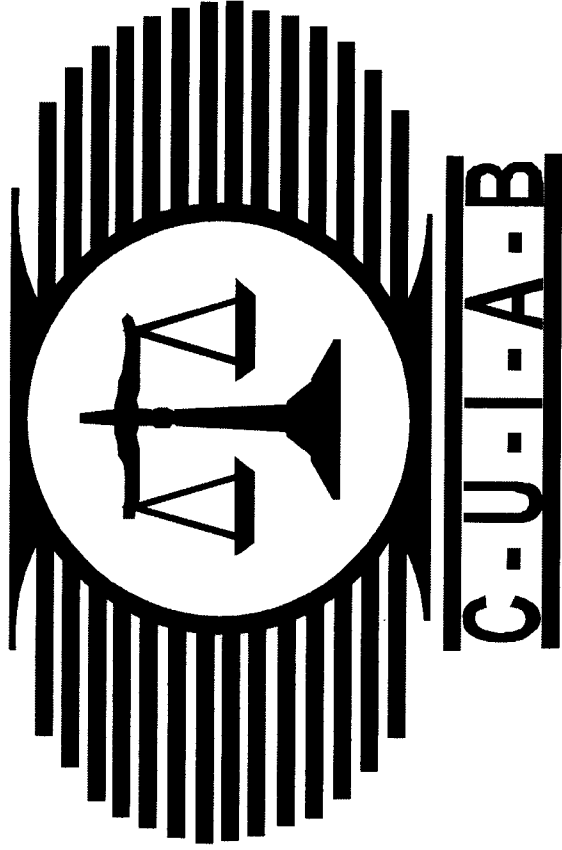


# ADMINISTRATIVE SERVICES

THE STAFF OF  
ADMINISTRATIVE SERVICES  
IS PROUD TO SERVE YOU.

WE THANK YOU FOR YOUR  
CONTINUED SUPPORT.





# YEAR-END REPORT 2005



# WORKLOAD\*

## FIELD OPERATIONS – Lower Authority

<u>REGISTRATIONS</u>	<u>Total</u>
All Programs Total	237,503
• Unemployment Insurance	207,716
• Disability Insurance	22,582
• Tax	1,954
• Rulings	5,251
•	

<u>DISPOSITIONS</u>	<u>Total</u>
All Programs Total	237,512
• Unemployment Insurance	203,276
• Disability Insurance	23,109
• Tax	2,662
• Rulings	8,465

*Note: By comparison, Texas has the Nation's second largest workload which is one half of California's workload.*

*\*Note: Workload Numbers based on December projected estimates.*



# WORKLOAD

## APPELLATE OPERATIONS – Higher Authority

### REGISTRATIONS

All Programs Total	<u>Total</u>
• Unemployment Insurance	16,694
• Disability Insurance	14,787
• Tax	1,435
• Rulings	309
•	163

### DISPOSITIONS

All Programs Total	<u>Total</u>
• Unemployment Insurance	16,298
• Disability Insurance	14,787
• Tax	1,449
• Rulings	234
	167

#### NOTE:

- *7% of all Field decisions are appealed to Appellate Operations (AO)*
- *This is the second lowest appeals rate in the Nation.*
- *By comparison, Texas' appeal rate is 16% to their AO.*



# WORKLOAD

## Board Members

### DISPOSITIONS

• Proposed Decision Rejection	2.21%
• Correction Requested	2.95%
• Comments	11.63%
• Referrals to Chief ALJs	1.82%
• Reversals of Field Decisions	8.60%
• Decisions appealed to Superior Court	.44%
	<u>16,298</u>



# U.S. Department of Labor

## Quality Review and Case Aging

<u>Lower Authority Appeals Quality – Criteria 80.0%</u>		
<u>Quarter Ending</u>		
12-31-04	81.9%	
3/31/05	81.1%	
6-30-05	84.9%	
9-30-05	85.4%	

Average Age of a case in California was 34 days.



# Budget for State Fiscal Year 2005-06

## PERSONNEL

<u>Positions:</u>	Permanent	Temporary Help	TOTAL
	536	95	631

<u>Salaries/Wages:</u>	Permanent	Temporary Help	TOTAL
	\$36,527,728	\$3,964,181	\$40,491,909

**BENEFITS**

**\$14,316,235**

**OPERATING EXPENSES & EQUIPMENT**

**\$13,317,691**

*Note: CUIAB operated well within its budget allocations.*



# **CUIAB ACCOMPLISHMENTS**

## **2005**

- **CUSTOMER SATISFACTION SURVEY**  
Overall average satisfaction rating was 93%
- **NATIONAL CONFERENCE**  
Chosen as host for the 2006 National Association of Unemployment Insurance Appellate Boards Annual Conference
- **FEDERAL QUALITY REVIEW**  
Exceeded Federal Quality Review Standards